

Request for Proposal

For Health Care Claims and Reimbursements Audit of Third-Party Administrators

January 2024



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO
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TABLE OF CONTENTS

	Page
I. Introduction	3
II. Background	3
III. Scope of Services	3
IV. Proposal Submissions	7
V. Selection Process	9
VI. Tentative Timetable	9
VII. Criteria	10
VIII. Questionnaire	10
IX. Terms and Conditions	10
Appendix A Questionnaire	12
Appendix B Tentative Audit Timetable	18
Appendix C Cost Proposal	20

INTRODUCTION

The School Employees Retirement System of Ohio (“SERS”) is requesting proposals from auditors qualified to perform an audit of the processing of medical claims and medical pharmacy rebates by our self-funded retiree medical plan third-party administrator. Aetna is the administrator of the SERS self-funded Non-Medicare plan, (Choice POS II).

In addition, SERS is requesting that responses include an audit of the processing of reimbursements for qualifying medical expenses by our excepted benefit health reimbursement arrangement vendor (the “Wraparound HRA”). UMR is the administrator of the Wraparound HRA. This service will be optional and performed at SERS’ discretion in conjunction with the medical claims audit. This optional audit should be priced as a separate service.

This RFP solicits proposals for the services of an Auditor with expertise in all areas germane to medical claims auditing. The Auditor must possess excellent analytical capabilities and in-depth industry knowledge and provide expert advice. The Auditor must also be able to travel to attend onsite meetings if required by the administrator(s).

I. BACKGROUND

SERS is a statewide defined benefit retirement system for non-certificated persons employed by the public schools within the state’s cities, villages and counties, as well as local districts, vocational and technical schools, community colleges, and The University of Akron. SERS provides service retirement, disability and survivor benefits, and access to health care coverage for benefit recipients and their dependents. General administration and management of the plan is vested in the Retirement Board established under [Chapter 3309](#) of the Ohio Revised Code.

Links are available for the most recent [SERS Annual Comprehensive Financial Report](#).

II. SCOPE OF SERVICES

1. Non-Medicare Medical Plan Audit

SERS is seeking the services of an Auditor qualified to perform an audit of Health Care claims and medical pharmacy rebate passthrough payments processed by Aetna, the administrator of SERS’ Non-Medicare health care plan. SERS is seeking proposals for three separate audit periods. The first audit period covers January 1, 2022 through December 31, 2023. Medical pharmacy rebates for services prior to January 1, 2023 are not included in this audit period. The second and third audit periods will also each cover 24 months respectively and audit: a) January 1, 2024 through December 31, 2025 and b) January 1, 2026 through December 31, 2027. Audit pricing should be completed in Appendix C for all three periods.

- **Coordination and Management.**
 - Schedule and organize all planned or requested audit project tasks, consistent with the timeline attached as Appendix B. This schedule may be amended.
 - Develop a communications plan and present it to SERS for approval. The plan will be in compliance with the Administrator's contract with SERS.
- **Understanding Existing Plan.** Develop an understanding of the existing self-insured plan administered by Administrator to successfully support this project. The plan coverage summary may be found at <https://www.ohsers.org/retirees/health-care-in-retirement/plans-and-premiums/>.
- **Operational Review.** Review the operations maintained by Administrator on behalf of SERS from an efficiency, control and security perspective.

At a minimum, this operations review will include such areas as:

- Quality improvement activities
 - Internal audit
 - Workflow
 - Claims administration and controls
 - Coordination of Benefits
 - Handling of third-party liability and subrogation
 - Eligibility administration
 - Customer service administration
- **Claims Audit.** The claims audit should contain two components. The first is a screening of 100% of claims to identify potential errors such as duplicate payments, payments for ineligible individuals, and services or procedures that conflict with plan exclusions and limitations. Second, a statistically valid random, stratified sample of claims should be audited in detail to determine their accuracy relative to the benefit plan and to determine whether their handling is consistent with standard industry practices.

To the extent possible, within a reasonable timeframe for finalizing the project, the Auditor should discuss the errors discovered with the Administrator and note any specific areas of disagreement.
 - **Medical Pharmacy Rebate Audit.** The Administrator is required to pass through 100% of rebate payments for medical specialty pharmacy claims paid through the plan. Payments should be audited to determine that all applicable rebate payments were provided to SERS. This contract term was not in effect until January 1, 2023.
 - **Schedule (Project Timeline).** The Auditor will submit a detailed work

plan that presents key activities, milestones, and timing for completion of the project, consistent with Appendix B.

- **Reports.** Reports will be required detailing the findings from the claims audit. The reports may be used by SERS for review against performance standards and incentives. It is critical that the reports clearly identify the extent of potential financial recovery and any areas of disagreement with the Administrator.
 - **Status Reports.** The Auditor will provide electronic status updates weekly to the designated representative of SERS.
 - **Final Draft Report.** The Auditor will submit a draft report to be reviewed before any final report is delivered.
 - **Final Report.** The Auditor will submit a specific detailed, written final report with recommendations. The written report must include, at a minimum:
 - Executive summary
 - Description of the audit process, including audit milestones and key events associated with those milestones
 - Recommendations for corrective action to ensure optimal claims handling
 - Administrator's action plan in response to the Auditor's recommendations
 - Statement indicating the Auditor has observed all conflict of interest requirements mandated by SERS with respect to the audit process and has not received anything of value or any benefit of any description while performing audit services
- **Proposed Additional Services.** The services described in this RFP represent minimum proposal requirements. In addition to the services described, please include any additional services you believe are appropriate, and include the itemized fees for such services. The description of these services and the associated fees should be detailed in a separate section of your proposal. The rationale for proposing these services should be included.

2. Wraparound HRA Reimbursements Audit

SERS is seeking the services of an Auditor qualified to perform an audit of reimbursements processed by UMR, the administrator of SERS' Wraparound HRA. This is an optional service that will be provided at SERS' discretion for each in conjunction with the medical plan audit described in Section II.1. SERS is seeking proposals for three separate audit periods. The first audit period covers January 1, 2022 through December 31, 2023. The second and third audit periods

will also each cover 24 months respectively and audit: a) January 1, 2024 through December 31, 2025 and b) January 1, 2026 through December 31, 2027. Audit pricing should be completed in Appendix C for all three periods.

- **Coordination and Management.**
 - Schedule and organize all planned or requested audit project tasks, consistent with the timeline attached as Appendix B. This schedule may be amended.
 - Develop a communications plan and present it to SERS for approval. The plan will be in compliance with the Administrator's contract with SERS.
- **Understanding Existing Plan.** Develop an understanding of the existing Wraparound HRA administered by Administrator to successfully support this project. The plan coverage summary may be found at <https://www.ohsers.org/retirees/health-care-in-retirement/plans-and-premiums/>.
- **Operational Review.** Review the operations maintained by Administrator on behalf of SERS from an efficiency, control and security perspective.

At a minimum, this operations review will include such areas as:

- Quality improvement activities
 - Internal audit
 - Workflow
 - Reimbursements administration and controls
 - Eligibility administration
 - Customer service administration
- **Reimbursements Audit.** The reimbursements audit should contain two components. The first is a screening of 100% of reimbursements to identify potential errors such as duplicate payments, payments for ineligible individuals, and services or procedures that conflict with plan exclusions and limitations. Second, a statistically valid random, stratified sample of reimbursements should be audited in detail to determine their accuracy relative to the benefit plan and to determine whether their handling is consistent with standard industry practices.

To the extent possible, within a reasonable timeframe for finalizing the project, the Auditor should discuss the errors discovered with the Administrator and note any specific areas of disagreement.

- **Schedule (Project Timeline).** The Auditor will submit a detailed work plan that presents key activities, milestones, and timing for completion of the project, consistent with Appendix B.
- **Reports.** Reports will be required detailing the findings from the

reimbursement audit. The reports may be used by SERS for review against performance standards and incentives. It is critical that the reports clearly identify the extent of potential financial recovery and any areas of disagreement with the Administrator.

- **Status Reports.** The Auditor will provide electronic status updates weekly to the designated representative of SERS.
- **Final Draft Report.** The Auditor will submit a draft report to be reviewed before any final report is delivered.
- **Final Report.** The Auditor will submit a specific detailed, written final report with recommendations. The written report must include, at a minimum:
 - Executive summary
 - Description of the audit process, including audit milestones and key events associated with those milestones
 - Recommendations for corrective action to ensure optimal reimbursements handling
 - Administrator's action plan in response to the Auditor's recommendations
 - Statement indicating the Auditor has observed all conflict-of-interest requirements mandated by SERS with respect to the audit process and has not received anything of value or any benefit of any description while performing audit services
- **Proposed Additional Services.** The services described in this RFP represent minimum proposal requirements. In addition to the services described, please include any additional services you believe are appropriate, and include the itemized fees for such services. The description of these services and the associated fees should be detailed in a separate section of your proposal. The rationale for proposing these services should be included.

SERS will consider only proposals for the goods and/or services as described above. **Responses submitted for other services will not be considered.**

III. PROPOSAL SUBMISSIONS

A. Intent to Respond

If the vendor intends to respond to this RFP, a Notice of Intent to do so should be sent to SERS by February 7, 2024. The Notice should be sent by email or fax to the SERS contact listed in Paragraph C. below, and contain the vendor's name, its intent to respond, the name of a contact person and the contact person's telephone number, email, and fax number. Submitting this Notice will not

obligate a vendor to submit a Response nor be a prerequisite for submitting a Response, but will allow SERS to send out any necessary information to interested vendors.

B. Response Deadline

The completed Response must be received by **Wednesday, February 21, 2024, 4:00 p.m. Eastern Time**. Responses received after the Response deadline will not be considered.

C. Delivery

Contact person for all responses, and communications:

Jennifer Phillips
Program Coordinator – Medical Plans
Health Care Services
School Employees Retirement System
300 E. Broad St., Suite 100
Columbus, OH 43215-3746
jphillips@ohsers.org
Telephone: 614-340-1319
FAX: 614-340-1820

An unbound original and 5 copies of the Response are to be sent by mail or delivery service. Faxed transmissions are not acceptable and will not be considered.

D. Response Documents

All of the following documents must be submitted together and in the order listed.

1. A Cover Letter submitting the vendor's Response on the vendor's letterhead signed by at least one individual who is authorized to bind the vendor contractually.
2. The Questionnaire in Appendix A. with the question and/or request duplicated in the Response before the answer or response.

E. Submitted Responses

Any Response submitted will become the property of SERS. SERS reserves the right to retain all Responses submitted, and use any information contained in a Response except as otherwise prohibited by law. **All Responses and the contents thereof will be deemed to be a public record which is open to public inspection after a vendor has been selected and contract has been executed, if any.** A vendor may include one additional copy of its Response with any proprietary trade secret information redacted and marked as such with a brief written basis as to why it believes the information is protected from disclosure. In the event that SERS receives a public

records request to which, in SERS' sole discretion, any of a vendor's materials are responsive, SERS may release the vendor's redacted materials, or in the event no redacted materials are submitted, the vendor's unredacted materials without notice to the vendor. In the event any of the vendor's redactions are challenged, the vendor shall have sole responsibility to defend such redactions at its cost and expense. SERS will not institute any legal action to defend any of vendor's redactions but will notify the vendor of such challenges.

F. Communications with SERS

Vendors which intend to submit a Response should not contact any member of SERS Staff or members of the Retirement Board. An exception to this rule applies to vendors who currently do business with SERS, but any contact made by such vendor(s) with persons should be limited to that business and should not relate to this RFP.

G. Questions Relating to this RFP

All questions concerning this RFP must be received in writing by fax or email by the Contact person by **Friday, January 26, 2024, 4:00 p.m., Eastern Time**. Answers to only faxed or emailed questions received by this deadline will be available to all vendors by a posting at www.ohsers.org. Questions submitted after the deadline or other than by fax or email will not be considered.

IV. SELECTION PROCESS

SERS staff will evaluate all timely and complete Responses. SERS reserves the right to request that any Response be clarified or supplemented.

V. TENTATIVE TIMETABLE

The following is the tentative time schedule for SERS' search for vendors to provide the requested services. All dates are subject to modification by SERS without prior notice.

Issuance of RFP:	January 12, 2024
Question Deadline:	January 26, 2024
Response to Written Questions:	February 9, 2024
RFP Response Deadline:	February 21, 2024
Projected Commencement Date:	April 2, 2024

The vendor(s) selected must enter into a contract.

VI. CRITERIA

The criteria for selection will include, but are not limited to the following:

- Cost, fees, and project deliverables
- Auditor's approach including project timetable, responsiveness to this proposal and work plan
- Auditor's understanding, experience, and familiarity with projects of similar size, scope, and population
- Qualifications and related experience of individuals assigned
- Strength of technology, analytical tools, expertise, and innovative solutions

VII. QUESTIONNAIRE

Vendors must complete the Questionnaire appearing in Appendix A. Responses to the questions should repeat the question and be answered in order.

VIII. TERMS AND CONDITIONS

SERS makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of SERS and the data contained or referenced herein. SERS does not anticipate updating or otherwise revising the RFP. However, this RFP may be withdrawn, modified, or re-circulated at any time at the sole discretion of SERS.

SERS reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any Response, in whole or in part, to negotiate modifications or revisions to a Response and to negotiate with any one or more respondents to the RFP.

SERS is not and will not be under any obligation to accept, review or consider any Response to the RFP, and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. SERS is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise. Any decision to enter into a binding agreement with a respondent to this RFP is in SERS' sole discretion.

This RFP is not an offer but a request to receive a Response. SERS will consider a Response as an offer to develop an agreement based upon the contents of the Response. Respondents agree that the contents of their Responses are valid for one year from the date of submission. SERS will not be liable for any cost incurred in the preparation of a Response and will not reimburse any respondents for their

submission. Expenses related to the production of a Response are the sole responsibility of the respondent.

Appendix A

QUESTIONNAIRE

Responses to the following questions should repeat the question and be answered in order. [Limit each response to no more than [one-half] page, except where otherwise noted.]

A. Vendor

1. Provide a brief description of your firm, its operation, and its specific expertise for this project.
2. Provide a brief description of the work product from prior contracts of your firm that may be relevant to the scope of work proposed in this RFP, including specifically any work for a governmental entity.
3. Describe any experience your firm has had in auditing Aetna and UMR.
4. Describe the experience of your firm in providing auditing services for retiree groups.
5. Provide references, two of which may represent completed projects within the last four years and two may represent your largest existing clients. Include the name, title, telephone number, and address of each person, firm, or entity you wish us to use as a reference. Each reference offered must have utilized your services within the last four years and be available for contact.

B. Personnel

1. Provide the name and hourly rate of the primary individual(s) who is/are proposed to provide services for this project and how each individual(s) will be involved in the project, including an estimate of the number of hours each will devote to the project, a summary of the reasons why the individual proposed to be assigned to the project can provide SERS with the best assistance available, and resumes for each person that describe their relevant experience and work on similar projects.
2. Describe how you will ensure personnel consistency throughout the audit.
3. Please confirm that personnel can travel to attend onsite meetings if

required by one or both Administrators.

C. Understanding of the Project

1. Describe in detail your firm's understanding of the services requested. Include in your description how you propose to provide services required under each item of the Scope of Services in Section II. of this RFP. Please provide a narrative that supports why your firm believes it is qualified to undertake the services requested in this RFP. [Please limit responses to one half page for the claims audit and one half page for the reimbursements audit.]
2. Describe and explain your sampling methodology in detail. Please include a description of the calculation/presentation of results and what performance measures will be calculated. [Please limit responses to one half page for the claims audit and one half page for the reimbursements audit.]
3. Describe any areas or processes, not included in the Scope of Services that your firm may examine in order to provide more complete services and consulting support on the project. Please explain your rationale for recommending these additional areas or processes. [Please limit responses to one half page for the claims audit and one half page for the reimbursements audit.]

D. Work Plan

Provide a proposal work plan to include the following:

1. A very detailed narrative description of the approach you will use for accomplishing each milestone of the project. Detail the processes and evaluative methodologies you will use according to the milestones and indicate the number of iterative analyses included for each milestone. [Please limit responses to one half page for the claims audit and one half page for the reimbursements audit.]
2. A completed table, using the general format of Appendix C, to detail work plan tasks, costs, time commitments, responsibility of each staff member and completion dates. Please note that the services described in Section II.2 will be purchased at SERS' discretion for each audit period, and therefore should be priced separately from the services described in Section II.1.
3. A description of the project management and quality control procedures utilized to ensure the timely completion and quality of all work performed by the Auditor. These should identify and describe any anticipated potential problems, the approach to resolving these

problems, and any special assistance that may be requested during this project.

4. A description of how the Auditor will coordinate, consult and make presentations to Designated Representatives of SERS.

E. Proposed Service

1. Describe how your firm conducts a claims and/or reimbursements audit and operations review. Be specific about on-site activities, review criteria, review methods and process, required documentation, and the degree of involvement of Administrator personnel.
2. Describe any aspects of your audit processes that specifically address negotiated discounts (not applicable to the services described in Section II.2).
3. Provide sample (redacted) copies of audit reports that have resulted from the audit activities of the team proposed for this project.
4. Describe the audit tools that will be used in the engagement.
5. Provide real-life examples of specific recommendations for corrective action you have provided to a client as a result of a recent audit. Please include specific examples of recommendations that you feel were the most effective and produced the most tangible results for the client.
6. Describe any aspects of your audit process that are unique to your firm and that distinguish you from your competitors.
7. Describe how you handle the extrapolation of errors found in a claims sample (i.e., what do you recommend to a client).
8. Describe how you propose to address any potential issues with duplicate payments. How would you identify duplicate payments that have occurred across member/dependent files?
9. Describe how you propose to evaluate how the Administrator handles Coordination of Benefits with other payors (not applicable to the services described in Section II.2).
10. Describe how you propose to address the claims or reimbursements issues that result from retroactive terminations.
11. Describe how you have addressed the inconsistencies in claims or

reimbursements administration with similar projects.

12. Describe the type of encryption and security procedures utilized for protected health information.
13. Provide a sample contract that the firm intends to submit if selected for this project. The contract should reflect the specific scope and deliverables of this project.

F. Standards of Conduct

1. Does the firm have a written code of conduct or set of standards for professional behavior? If so, attach a copy and state how they are monitored and enforced.
2. Does the firm have a written anti-discrimination policy? If so, attach a copy and state how the policy is monitored and enforced.
3. How does the firm identify and manage conflicts of interest?
4. Are there any potential conflicts of interest that the firm would have in providing the requested services to SERS? If yes, explain.
5. List and describe any relationships and/or contacts the firm or its officers or employees have had with any SERS Retirement Board member and/or staff member within the last 12 months.
6. Has the firm or any officer or employee given any remuneration or anything of value directly or indirectly to SERS or any of its Retirement Board members, officers, or employees? If yes, identify the recipient and remuneration or thing of value. Additional information on the Ohio ethics law in this area may be found at: http://www.ethics.ohio.gov/Retirement_System_Information_Sheet.html.
7. Has the firm or any officer, principal or employee given any remuneration or anything of value such as a finder's fee, cash solicitation fee, or fee for consulting, lobbying or otherwise, in connection with this RFP? If yes, identify the recipient and remuneration or thing of value.
8. Within the last five (5) years:
 - a. Has the firm or any officer or employee of the firm been a defending party in a legal proceeding before a court related to the provision of services?

- b. Has the firm or any officer or employee been the subject of a governmental regulatory agency inquiry, investigation, or charge?
- c. Has the firm submitted a claim to the firm's liability insurance carrier involving the type of services sought under this RFP?

If yes to any of the above, describe the event and the current status or resolution; include any case citation.

G. Fees

Describe the fee structure, including all costs and expenses to be billed to SERS and any associated timelines. Use the table in Appendix C as a general format to indicate the sub-total cost for each milestone. All pricing proposals must be submitted on a not-to-exceed basis. The final contract for this project will be on a total-project basis, inclusive of all travel costs. SERS will reimburse the auditor at the completion of specific milestones for an agreed-upon portion of the total project price. No additional reimbursement above the total project price will be forthcoming without written authorization from SERS individuals who can commit the organization to such expense.

H. Performance Guarantee

Provide any performance guarantee at risk for the proposed services, including how such guarantees would be measured.

Appendix B

TENTATIVE AUDIT TIMETABLE

TIMELINE	Start	End
Data transfer		
Plan information provided		
Electronic claims or reimbursements audit		
Operational audit		
Draft audit provided SERS		
Draft audit provided Administrator		
Final audit report provided SERS		
Final audit report provided to Administrator		
Presentation to SERS		

Appendix C

COST PROPOSAL

Claims Audit (Aetna)							
Milestone	Task Detail	Auditor(s) Responsible	Estimated Hours	Hourly Rate	Audit #1 1/22 – 12/23	Audit #2 1/24 – 12/25	Audit #3 1/26 – 12/27
Load Eligibility							
	Etc.						
	Total Milestone Cost:					\$	\$
Electronic Claims Audit							
	Etc.						
	Total Milestone Cost:					\$	\$
Claims Sample							
	Etc.						
	Total Milestone Cost:					\$	\$
Operational Audit							
	Etc.						
	Total Milestone Cost:					\$	\$
Medical Pharmacy Rebate Audit							
	Etc.						
	Total Milestone Cost:					\$	\$
Pharmacy Claims Crossover							
	Etc.						
	Total Milestone Cost:					\$	\$
Performance guarantees and fees-at-risk							
	Etc.						
	Total Milestone Cost:					\$	\$
Draft Audit Report							
	Etc.						
	Total Milestone Cost:					\$	\$
Final Audit Report							
	Etc.						
	Total Milestone Cost:					\$	\$
Presentation to SERS							
	Etc.						
	Total Milestone Cost:					\$	\$
TOTAL PROJECT COST:							

	Total Cost:						
Reimbursements Audit (UMR)							
Milestone	Task Detail	Auditor(s) Responsible	Estimated Hours	Hourly Rate	Audit #1 1/22 – 12/23	Audit #2 1/24 – 12/15	Audit #3 1/26 – 12/27
Load Eligibility							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
Electronic Reimbursements Audit							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
Reimbursements Sample							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
Operational Audit							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
Pharmacy Claims Crossover							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
Performance guarantees and fees-at-risk							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
Draft Audit Report							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
Final Audit Report							
	Etc.						
	Total Milestone Cost:				\$	\$	\$

	Total Milestone Cost:				\$	\$	\$
Presentation to SERS							
	Etc.						
	Total Milestone Cost:				\$	\$	\$
TOTAL PROJECT COST:							
TOTAL PROJECT COST: OPTIONAL DELIVERABLES	Total Cost:						
OPTIONAL DELIVERABLES							

Hourly Rates for Out-of-Scope Work	
Primary Auditor	\$
Other Auditor	\$
Technical personnel	\$